

12  
**RETURN TO:**

Colonial Savings, FA  
Mortgage Services Dept.  
Attn: Tom Tallent  
2626 West Freeway, Bldg B  
P.O. Box 2988  
Fort Worth, TX 76113-2988

**MODIFICATION OF SECURITY INSTRUMENT AND ATTORNMENT AGREEMENT**

**THE STATE OF TEXAS**

**COUNTY OF TARRANT**

**WHEREAS, Colonial National Mortgage, a division of Colonial Savings, F. A.** organized and existing under the laws of the United States of America, whose address is 2626 West Freeway, Fort Worth, Texas 76102 ("Servicer"), is the holder of a certain lien note in the original principal sum of Two Hundred Thirty Three Thousand Three Hundred Seventy Five and no/100 dollars (US \$233,375.00), dated August 18, 2004 executed by Peter Lee Hinojosa and wife, Carla Ann Hinojosa ("Mortgagor") and secured by a Deed of Trust of even date therewith, recorded on October 1, 2004 in Clerk's File No. D204308414 of the Official Records of Tarrant County, Texas ("Security Instrument" and/or "Lien").

**WHEREAS, Mortgagor** has or desires to enter into an Oil, Gas and/or Mineral Lease, attached hereto as **EXHIBIT "A"** and incorporated herein ("Lease"), with **Chesapeake Exploration Limited Partnership**, an Oklahoma limited partnership organized and existing under the laws of the State of Oklahoma, whose address is 6100 N. Western Ave., Oklahoma City, Oklahoma 73118 ("Lessee"), who is or desires to be the owner and holder of the Lease, and Mortgagor/Lessor has requested Servicer to modify its Security Instrument. Within this Agreement, the term "Lessor" may be used to refer to the Mortgagor or any successor thereto. The term "Mortgagor/Lessor" may be used in this Agreement to refer to the Mortgagor.

**WHEREAS, Said Security Instrument and Lease affect the following described property ("Property"), to-wit:**

Being Lot 12, in Block 1, of Horse Creek Farms Addition, an Addition to the City of Crowley, Tarrant County, Texas according to the Plat thereof recorded in Cabinet A, Slide 5675, Plat Records, Tarrant County, Texas.

The Property is commonly referred to as 1917 Palomino Blvd., Crowley, Texas 76036 and as Tax ID 00007588720

**WHEREAS, Lessee** has requested that Servicer subordinate its rights under the Security Instrument it holds to the Lease, subject to the following terms and conditions described herein;

**NOW, THEREFORE,** in consideration of the premises and the sum of Ten Dollars (\$10.00) and other good and valuable consideration exchanged between the parties hereto, the receipt and sufficiency of which are hereby acknowledged, Servicer does hereby subordinate its Security Instrument to the Lease, subject to and conditioned upon the parties understanding and acceptance of the following terms, conditions, provisions and covenants:

**SERVICER'S LIEN OTHERWISE UNIMPAIRED.** Except as expressly agreed herein, it is understood and agreed that Servicer's Lien shall not be impaired, subordinated or otherwise affected as to any present or future reversionary mineral estate, any possibility of reverter, or as to any royalties that have been or may be reserved by the owner of the Property, now or in the future.

**SURFACE RIGHTS WAIVER/LIMITATIONS.** Any provision in its Lease to the contrary notwithstanding, Lessee agrees that all of its operations and activities shall be conducted only below the surface of the Property, it therefore being understood and

Page 1 of 5

Lessee initials LAH

Servicer initials /

Mortgagor initials CAH

HORSE CREEK WELLS

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agreed that no surface operations and activities of any kind (for example, drilling, housing employees, laying pipelines, storing equipment, building roads, setting tanks, constructing mud pits, temporary holding tanks or other facilities, et cetera) shall occur at any time without the prior written permission of the Servicer and the Lessor(s) under the Lease or any successor thereto.

This surface rights waiver and limitation provision shall not be construed as a waiver of the Lessee's right to exploit, explore for, develop or produce such oil or gas with wells which can be accessed or drilled from outside of the Property (for example, through directional wells bottomed beneath or drilled beneath the Property's surface), provided, however, such off-site access or directional drilling shall also comply with the "Off-Premises Surface Proximity Limitations" provision below).

**OFF-PREMISES SURFACE PROXIMITY LIMITATIONS.** Anything in its Lease to the contrary notwithstanding, Lessee further agrees that no surface operations or activities as described above otherwise permitted under the Lease shall be conducted within 300 feet of the principal dwelling together with any attachments thereto now existing on the Property.

**ATTORNMEN BY LESSEE.** In the event that Servicer exercises its foreclosure rights under its Security Instrument against the Property, or if Servicer takes possession of the Property in any other manner, through an exercise of its rights under its Security Instrument, and succeeds to the interest of the Mortgagor/Lessor under the Lease, the Lessee agrees that it shall recognize the Servicer as the successor in interest to the Lessor and holder of any and all of the right, title and interests formerly held by the Mortgagor/Lessor under the Lease. In such case, the Lessee also agrees to render to the Servicer the performance of all of the Lessee's obligations, which would otherwise benefit the Lessor, for the balance of the term of the Lease remaining, with the same force and effect as if the Servicer were the original named lessor under the Lease.

The Lessee hereby agrees, upon the occurrence of the foregoing events, to attorn to the Servicer, such attornment to be effective and self-operative, without the execution of any further instrument on the part of either of the parties hereto, immediately upon Servicer's succession to the interests of the Lessor under the Lease; provided, however, that the Lessee shall not be obligated to pay Servicer the royalties which would otherwise be payable to the Lessor under the terms of the Lease and /or recognize Servicer's other rights as successor to Lessor until the Servicer notifies the Lessee in writing of said succession of interest. The respective rights and obligations of the Lessee and the Servicer upon such attornment shall, to the extent of the then remaining balance of the term of the Lease, be the same as now set forth in the Lease, and the Lease and all of its terms are hereby incorporated by reference in this Agreement with the same force and effect as if set forth herein verbatim.

**DEFAULT REMEDIES.** In the event of a material breach of this Agreement by Lessee (whether arising or resulting from Lessee's intentional, willful or negligent acts or Lessee's failure or omission to act or comply hereunder for any reason), Servicer shall notify Lessee in writing giving a reasonable description of the 'particulars' of the breach, and Lessee shall have ninety (90) days after receipt of such notice in which to commence and complete all such curative actions to rectify such breach. If Lessee fails to timely cure any such breach, Servicer shall be entitled to immediately terminate and revoke this Agreement, it being understood that upon such termination and revocation of this Agreement, this Agreement shall be deemed void as if it had never been executed or made effective. Such termination and revocation of this Agreement by Servicer shall be evidenced by Servicer's prompt written notification of such to Lessee at Lessee's address as provided herein, and in addition, if Servicer should also elect, by public notice given by recording such written notification to Lessee in the real property records of said county where the Property is located and the Security Instrument exists of record. Nothing herein shall preclude the right of Lessee to dispute any alleged grounds of the breach set forth in such notice from Servicer as follows: Lessee may, within said ninety (90) day cure period, instead institute a lawsuit against Servicer in the form of a Declaratory Judgment Action within a court of competent jurisdiction in the agreed jurisdiction to determine whether it breached this Agreement, thereby staying the termination and revocation during the pendency of such action. However, in the event Servicer obtains a final decision in any such proceeding that Lessee was in material breach of this Agreement, then Servicer shall be entitled to immediately terminate and rescind this Agreement. It is understood that Servicer may subsequently conduct a later valid foreclosure action which may invalidate the Lease Agreement.

In connection with any litigation filed by any party hereto relating to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, expenses and costs (including court costs) from the non-prevailing party.

Notwithstanding anything to the contrary herein, in no event shall a termination or revocation of this Agreement by judicial decree alone (unless also coupled with judicial foreclosure relief requested by Servicer), terminate, revoke, cancel or rescind the Lease or otherwise affect Lessor or Lessee's rights and obligations under the Lease.

**INDEMNITY.** Lessee shall indemnify and save Servicer harmless from and against all claims, demands, fines, penalties, actions or suits (including, without limitation, all costs and expenses, including reasonable attorneys' and court fees and expenses incident thereto), that relate to the Agreement, the Lease and the Property (including claims for Lessee's breach of this Agreement, injuries or death to persons, damage to personal property, or damage or environmental contamination to real property), brought against Servicer by Mortgagor/Lessor or any third party(ies) (including federal, state or local agencies, regulators, registrars and officials) arising out of Lessee's operations pursuant to the Lease. Notwithstanding the foregoing, the

Lessee initials LS

Servicer initials HT

Mortgagor initials AM  
Car

foregoing indemnity shall not apply to any damages, costs, expenses, losses or liabilities incurred by Servicer to the extent caused, in whole or in part, by Servicer's negligence, gross negligence or willful or intentional misconduct.

**DAMAGES.** In the event Lessee fails to timely cure any breach, as set forth above, or has otherwise materially breached this Agreement, Servicer shall be entitled to recover its reasonable attorneys' fees and costs from Lessee.

**CONFLICT BETWEEN AGREEMENT AND LEASE.** In the event of any conflict or difference between the terms of this Agreement and the terms of the Lease, Lessee agrees that the terms of this Agreement shall supersede and control, and be applicable in lieu of the conflicting terms of the Lease.

**BINDING EFFECT.** The rights and obligations of the parties hereunder shall be binding upon, and shall inure to the benefit of, the respective heirs, successors, assigns and representatives of the parties hereto.

**AMENDMENTS.** This Agreement may not be amended or modified except in writing and signed by Servicer and Lessee or their permitted heirs, successors, assigns and representatives.

**GOVERNING LAW.** This Agreement shall be construed and interpreted in accordance with and be governed by the laws of the State of Texas. Venue shall appropriate in any federal or state court of competent jurisdiction located in Tarrant County, Texas.

**NOTICE.** Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery, (b) expedited delivery service with proof of delivery or (c) United States mail, postage prepaid, registered or certified mail, return receipt requested; addressed as noted in the first page of this Agreement. It is agreed that facsimiles shall NOT be deemed to be an acceptable or approved means by the parties hereto to give any such required notice. Either party hereto may change the address set forth above for giving notice or communication by giving written notice to the other party in the manner set forth above.

**TERM.** The term of this Agreement shall begin on the effective date set forth above. This Agreement shall terminate upon the earlier of (i) Servicer's receipt of funds sufficient for the full payment and satisfaction of all indebtedness secured by the Security Instrument; (ii) the filing of a release of the Security Instrument by Servicer or its successors; or (iii) termination of the Lease.

This Agreement is executed this 4<sup>th</sup> day of September, 2009, but shall be deemed effective for all purposes set forth herein as of the effective date of the Lease.

Colonial Savings, F.A.

By: Tom Tallent  
Title: Vice President

Chesapeake Exploration Limited Partnership:

By (Print Name): Gayle Harris  
Title: Director - Division Orders

Peter Lee Hinojosa:

Carla Ann Hinojosa:

Lessee initials LSH

Servicer initials HT

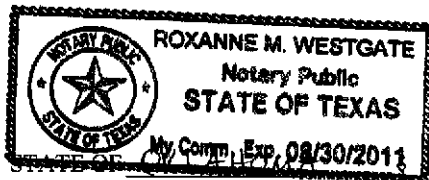
Mortgagor initials CAH

# ACKNOWLEDGEMENT

STATE OF TEXAS §  
 COUNTY OF TARRANT §

Before me, the undersigned, a Notary Public, on this day personally appeared Tom Tallent, in his role as Vice President of Colonial Savings, F.A., a federal association, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he had executed the same as the act of said association for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office, this 4th day of September, A.D. 20 09

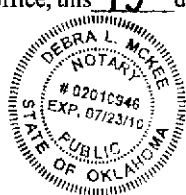


Roxanne M. Westgate  
 Notary Public, State of Texas  
 Printed Name of Notary: Roxanne M. Westgate  
 Commission Expires: August 30, 2011

COUNTY OF OKLAHOMA §

Before me, the undersigned, a Notary Public on this day personally appeared Gayle Harris in his/her role as Director-D.O. of Chesapeake Exploration LP corporation, known to me, to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of such corporation for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office, this 13th day of August, A.D. 20 09

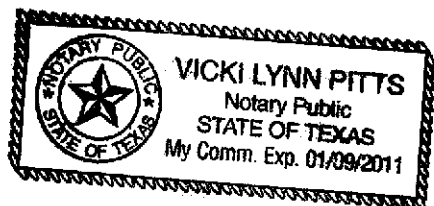


Debra L. McKee  
 Notary Public, State of: OKLAHOMA  
 Printed Name of Notary: Debra L. McKee  
 Commission Expires: 7-23-10

STATE OF Texas §  
 COUNTY OF Tarrant §

Before me, the undersigned, a Notary Public on this day personally appeared Peter Lee Hinojosa, known to me, to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office, this 20th day of August, A.D. 20 09



Vicki L. Pitts  
 Notary Public, State of: Texas  
 Printed Name of Notary: Vicki L. Pitts  
 Commission Expires: 1/9/11

ACKNOWLEDGEMENT

STATE OF Texas

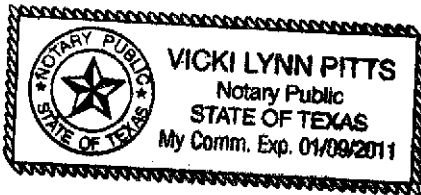
COUNTY OF Tarrant

Before me, the undersigned, a Notary Public on this day personally appeared Carla Ann Hinojosa, known to me, to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office, this 20th day of August, A.D. 20 09

Notary Public, State of: Texas  
Printed Name of Notary: Vicki L. Pitts

Commission Expires: 1/9/11



Lessee initials CH

Servicer initials H

Page 5 of 5  
Mortgagor initials CH

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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

## OIL AND GAS LEASE

THIS AGREEMENT made effective as of this 1st day of September 2005, between

### EACH OF THE PARTIES IDENTIFIED AS LESSOR ON EACH SCHEDULE I HERETO

as Lessor, whose address is: as set forth on Schedule I hereto for each Lessor, and ESOC Gas Co., Ltd., Lessee, whose address is 777 Taylor Street, Suite 1090, Fort Worth, Texas 76102

### WITNESSETH:

1. Lessor in consideration of ten dollars and other valuable consideration, Ten Dollars and Other Good and Valuable Consideration (\$10.00 & OGVG), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil or gas, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Tarrant County, Texas, to-wit:

Being 104.38 gross acres, more or less out of the J.W. Gerbett Survey, Abstract No. 608, further being referred to as Horse Creek Farms, an Addition in Tarrant County, Texas, according to the Plat recorded in Plat Cablan A, Slide 6825, respectively, Plat Records of Tarrant County, Texas, as more particularly described on Schedule I hereto. The leased premises comprises all of the lands collectively described on Schedule I attached hereto apposite the heading "Lands Covered by this Lease".

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included with the boundaries of the land particularly described above, including the minerals owned by Lessor located in streets, roads, alleys, easements and rights of way adjacent of Lessor's lands described on Schedule I hereto.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or land with which said land is pooled hereunder.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipelines to which Lessee may connect its wells, the equal 20% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 20% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 20% of the cost of treating oil to render it marketable pipe line oil; (b) to pay Lessor for gas and casinghead gas produced from said land (1) when sold by Lessee, 20% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, 20% of the amount realized from the sale of gasoline or other products extracted therefrom and 20% of the amount realized from the sale of residues gas after deducting the amount used for plant fuel and/or compression; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as long as operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow line, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited or paid directly to Lessor, or their successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownership thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 3 hereof. In the event of assignment of this lease in whole or part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas is paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface

Return to: 2 SOE Gas Co. Ltd  
777 Taylor St., Suite 1090  
Ft Worth, TX 76102  
ATTN: Sherrie

acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above-described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of the lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at anytime being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessor's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. Notwithstanding anything to the contrary in this lease, Lessee may transport third party gas on and across the leased premises.

11. Notwithstanding anything to the contrary in this lease, Lessee is hereby granted the right, at its option, either before or after production is established, to place any land covered by this lease in a co-operative with other land, lease or leases, for the exploration and development of all lands included in such co-operative, on such terms and conditions as Lessee may consider prudent. Any such co-operative formed by Lessee shall consist of such amount of acreage, configuration and number of wells, as Lessee shall determine at the exercise of Lessee's reasonable judgment, including Lessee's modification, rearrangement, enlargement, and reduction of such co-operative. If all or a portion of lands covered by this Lease, is included in a co-operative, then royalty shall be paid on a surface acreage basis, that is on the basis that the number of acres covered by this lease that is included in the co-operative bears to the total number of acres in the co-operative.

12. Notwithstanding anything to the contrary in this lease, Lessee agrees there shall be no drilling or surface operations on any of the lands covered by this Lease.

13. This Lease may be executed in any number of counterparts of each of the Lessors as identified on Schedule I hereto and each counterpart of a Schedule I herein so executed shall have the same force and effect as an original instrument and as if all the parties to the aggregate counterparts had signed the same instrument. For recording purposes, the counterpart signature and acknowledgment of the Schedule I of each of the Lessors may be included in one instrument to be filed for record in the records of the County Clerk of Tarrant County, Texas.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

SEE SCHEDULE I ATTACHED HERETO FOR THE NAMES AND ADDRESSES OF EACH LESSOR AND THE SIGNATURES AND ACKNOWLEDGMENTS FOR EACH LESSOR

## EXHIBIT "A" to OIL, GAS and MINERAL LEASE

Notwithstanding any of the provisions contained in the oil and gas lease to which this exhibit is attached, the following provisions shall apply:

14. The royalties to be paid by lessee are: (a) on oil, 20% of the market value at the point of sale of all oil produced and sold from the lands covered by this lease; or, at lessor's option, 20% of the oil produced and saved in kind to be delivered to lessor at the wells or to the credit of lessor into the pipe line to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substances produced from said land or sold or used off the premises or for the extraction of gasoline or other products therefrom, the market value at the point of sale of 20% of the gas so sold or used. However, in no event shall the royalty paid to Lessor be less than the Lessor's royalty share of the actual amount realized by the lessee from the sale of oil and/or gas. Notwithstanding anything to the contrary herein contained, all royalty paid to Lessor shall be free of all costs and expenses related to the exploration, production and marketing of oil and gas production from the lease including, but not limited to, costs of compression, dehydration, treatment and transportation. Lessor will, however, bear a proportionate part of all those expenses imposed upon Lessee by its gas sale contract to the extent incurred subsequent to those that are obligations of Lessee.

If an unauthorized deduction has actually occurred, Lessee must reimburse Lessor within thirty (30) days after demand is made.

15. Drilling operations on a pooled unit or units allowed by the pooling provision contained in the printed portion of this Lease and approved by appropriate governmental authority shall be considered to be drilling operations effective to maintain this Lease in full force and effect only as to that portion of the lease premises included within the unit or units. Production from a well or wells located on any pooled unit or units shall be considered to be effective to maintain this Lease in force only as to that portion of the lease premises included within the unit or units.
16. This Lease is limited to those depths from the surface of the ground to one hundred feet (100') below the base of the Barnett Shale formation.
17. In the event Lessee needs access to any portion of the leased premises, Lessor and Lessee agree this access must be approved in writing by a recordable instrument. It is understood that said written consent only applies to the individual surface owner being accessed and the Lessee. In no event, will it be necessary to acquire all of the Lessor's signatures for purposes defined in this paragraph.



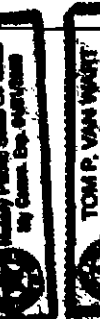


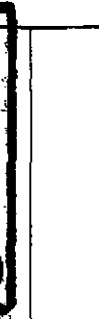
Lessor, before granting written consent to enter the leased premises, may negotiate the price to be paid for the access, the location of the access across the tract, the material to be used in constructing the access, the width of the access, the maintenance of the access, the drainage of the land dammed by the access, the beautification of the access to hide it from view and other relevant conditions not in violation of any deed restrictions on the property.

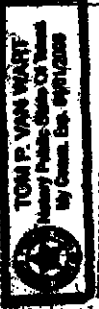

18. Lessee shall advise Lessor in writing of any assignments by Lessee covering all or part of the leased premises. Each notice shall include the name, address and phone number of the assignee.
19. The first royalty payment shall be tendered to the Lessor within ninety (90) days after the end of the month the first production leaves the leased premises or from property from which the premises have been pooled. If not, the unpaid royalties shall accrue interest at fifteen percent (15%) per annum. If the first royalty with accrued interest is not tendered within one hundred eighty (180) days after the end of the month after the first production leaves the premises or from

property pooled therewith, the accrued interest rate shall be eighteen percent (18%) per annum retroactive to the time the first production left the leased premises or lands pooled therewith, but the interest rate shall never be in excess of the legal interest rate allowed by Texas Law so as to be deemed usurious.

The payment of interest and/or royalties under this provision shall not apply if payment is precluded by a title opinion that has been rendered on the property or curative title work is underway required by that title opinion. Lessee shall advise Lessor of any title problem, though, with a copy of the relevant portion of the opinion calling for the curative work. Failure to secure a title opinion and present the title problem to the Lessor shall not be an excuse to delay the payment of royalties or prevent the accrued interest under this provision.

20. Lessee's right to maintain this Lease for a shut-in on a pooled unit solely by the payment of shut-in gas royalties shall be a recurring right that may be exercised from time to time. However, the right shall be limited to a period or periods not to exceed two (2) years in the aggregate after the expiration of the primary term. The Lessor's share of the shut-in royalties shall be Twenty Dollars (\$20.00) per net mineral acre. To receive credit for any shut-in months prepaid but not used during a year, the Lessee must give the Lessor written notice of the unused months within thirty (30) days after the end of the prepaid year. Any shut-in royalties tendered to the Lessor shall not be recouped from or credited against future payments made to the Lessor under the terms of the Lease.
21. Lessee covenants and agrees to save, hold harmless and indemnify the Lessor from any damages or claims for damages, including both judgments and attorneys' fees expended in defending any cause of action, for any injury or death to person or to property occasioned by, arising out of, or resulting from operations conducted on or off the leased premises, whether or not the result of the Lessee's negligence. Likewise, the Lessee shall be solely responsible for all environmental damages and environmental tort claims as well as the costs of cleaning up environmental wastes caused by the Lessee's operations, whether or not the result of Lessee's negligence. The Lessee agrees to save, hold harmless and indemnify the Lessor from any environmental claims caused by the Lessee's operations.
22. Lessor agrees to warrant and defend title to the premises only against claims arising by, through or under the Lessor. No other express or implied warranties of title are given.
23. The Lessor shall have no personal liability for the repayment of an overpayment of royalties. The Lessee may recoup an overpayment from the Lessor's share of future production from the well from which the overpayment occurred if discovered and brought to the Lessor's attention in writing within two (2) years of the overpayment.

Lessor	Lessor Signature	Mailing Address	Schedule I Land Covered By this Lease: HORSE CREEK FARMS: Lot/Block	Acres	Acknowledgement	Acknowledgement	Notary Signature	Notary Stamp
DAVIS, LONNIE	<i>Lonnie Davis</i>	1008 Blue Roan Lane Crowley, TX 76036	Blk 1, Lot 33	1.4	State of Texas, County of Tarrant	This instrument was acknowledged before me on <u>7/19/06</u> by <u>LONNIE DAVIS</u>	<i>[Signature]</i>	
DAVIS, LINDA	<i>Linda Davis</i>	1008 Blue Roan Lane Crowley, TX 76036	Blk 1, Lot 33	1.4	State of Texas, County of Tarrant	This instrument was acknowledged before me on <u>7/19/06</u> by <u>LINDA DAVIS</u>	<i>[Signature]</i>	
HARRISON, III, JAMES E.	<i>James E. Harrison</i>	1001 Blue Roan Lane Crowley, TX 76036	Blk 2, Lot 11	1.8	State of Texas, County of Tarrant	This instrument was acknowledged before me on <u>7/21/06</u> by <u>JAMES E. HARRISON</u>	<i>[Signature]</i>	
HARRISON, III, C.W.	<i>Craig W. Harrison</i>	1001 Blue Roan Lane Crowley, TX 76036	Blk 2, Lot 11	1.8	State of Texas, County of Tarrant	This instrument was acknowledged before me on <u>7/21/06</u> by <u>CRAIG W. HARRISON</u>	<i>[Signature]</i>	
REED, JR., JOHN C.	<i>John C. Reed</i>	1008 Dapple Gray Crowley, TX 76036	Blk 1, Lot 18	1.5	State of Texas, County of Tarrant	This instrument was acknowledged before me on <u>7/20/06</u> by <u>JOHN C. REED</u>	<i>[Signature]</i>	
REED, JR., JAN J.	<i>Jan J. Reed</i>	1009 Dapple Gray Crowley, TX 76036	Blk 1, Lot 18	1.5	State of Texas, County of Tarrant	This instrument was acknowledged before me on <u>7/20/06</u> by <u>JAN J. REED</u>	<i>[Signature]</i>	
					State of Texas, County of Tarrant	This instrument was acknowledged before me on _____ by _____		

Lessor	Lessor Signature	Mailing Address	Schedule I Lands Covered By this Lease: HORSE CREEK PARCEL: Left Block	Acres	Acknowledgement	Acknowledgement	Notary Signature	Notary Stamp
ALEXANDER, BETTY		5608 Conroy St. Ft. Worth, TX 76134	Blk 1, Lot 41	1.019	State of Texas, County of Tarrant	This instrument was acknowledged before me on _____ by _____		
ALEXANDER, HOPPIE		5608 Conroy St. Ft. Worth, TX 76134	Blk 1, Lot 41	1.019	State of Texas, County of Tarrant	This instrument was acknowledged before me on _____ by _____		
CLASSIC CENTURY HOMES, LTD.		PO Box 152049 Arlington, TX 7015	Blk 1, Lot 42 Blk 1, Lot 43 Blk 1, Lot 46 Blk 1, Lot 47	1 1 1 1	State of Texas, County of Tarrant	This instrument was acknowledged before me on _____ by _____		
		PO Box 152049 Arlington, TX 7015	Blk 1, Lot 42 Blk 1, Lot 43 Blk 1, Lot 46 Blk 1, Lot 47	1 1 1 1	State of Texas, County of Tarrant	This instrument was acknowledged before me on _____ by _____		
CORRAL, FERNANDO		6215 Hot Springs Dr. Arlington, TX 76001	Blk 1, Lot 23	1	State of Texas, County of Tarrant	This instrument was acknowledged before me on _____ by _____		
CORRAL, RUTH		6215 Hot Springs Dr. Arlington, TX 76001	Blk 1, Lot 23	1	State of Texas, County of Tarrant	This instrument was acknowledged before me on _____ by _____		
HINOJOSA, CARLA	<i>Carla Hinojosa</i>	4917 Palomino Blvd. Crowley, TX 76036	Blk 1, Lot 12	1.4	State of Texas, County of Tarrant	This instrument was acknowledged before me on <u>12/1/06</u> by <u>Carla Hinojosa</u>	<i>[Signature]</i>	
HINOJOSA, PETER	<i>Peter Hinojosa</i>	1917 Palomino Blvd. Crowley, TX 76036	Blk 1, Lot 12	1.4	State of Texas, County of Tarrant	This instrument was acknowledged before me on <u>12/1/06</u> by <u>Peter Hinojosa</u>	<i>[Signature]</i>	
MONGRIEF, JOHN M.		2965 FM 1187 Crowley, TX 76036	Blk 1, Lot 30 Blk 1, Lot 31	1.4 1.4	State of Texas, County of Tarrant	This instrument was acknowledged before me on _____ by _____		



FSOC GAS CO  
777 TAYLOR STR  
STE 1090

FT WORTH TX 76102

Submitter: FSOC GAS CO

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

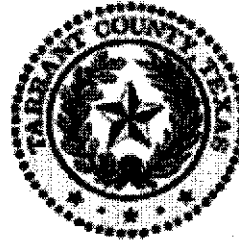
**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 07/24/2006 11:09 AM  
Instrument #: D206224285  
OPR 7 PGS \$36.00

A large, stylized handwritten signature, possibly reading "Suzanne", is written over the registration information.

**D206224285**

**ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.**



COLONIAL SAVINGS  
2626 WEST FRWY BLDG B

FT WORTH TX 76113

Submitter: COLONIAL SAVINGS

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 09/11/2009 12:48 PM  
Instrument #: D209243890  
LSE 13 PGS \$60.00

By: \_\_\_\_\_



**D209243890**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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